



Global and Indian EdTech Industry Overview:

Global EdTech Landscape:

Introduction:

The global EdTech industry, rooted in mid-20th-century technology use in education, has evolved significantly. From the experimentation with computers in the 1960s to the surge in online courses, EdTech has become more accessible and efficient due to improved video conferencing and multimedia tools. As of 2022, the global EdTech and smart classroom market was valued at USD 115.80 billion, projected to reach USD 433.17 billion by 2030, exhibiting a CAGR of 18.3%.

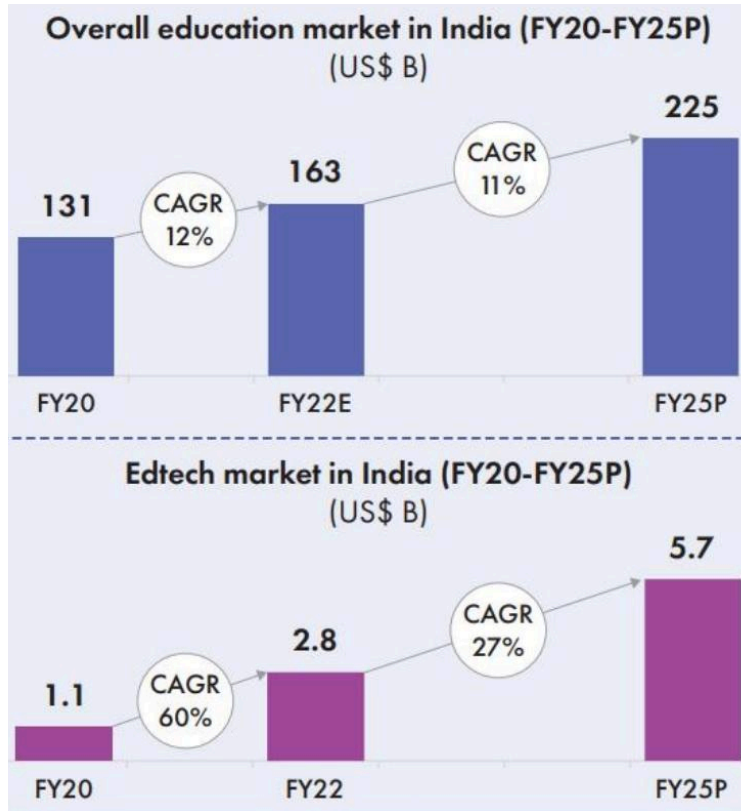
Indian EdTech Landscape:

Growth Trajectory:

The Indian EdTech industry has experienced remarkable growth, projected to reach USD 30 billion by 2031.

In FY20, the overall Indian education market stood at **USD 131 billion**, witnessing a notable growth to **USD 163 billion in FY22** at a Compound Annual Growth Rate (CAGR) of 12%. Projections suggest a further surge, anticipating the market to reach **USD 225 billion by FY25** with an 11% CAGR.

Specifically, the Indian EdTech market exhibited remarkable growth, escalating from **USD 1.1 billion in FY20 to USD 2.8 billion in FY22**, reflecting an impressive 60% CAGR. Forecasts indicate a continued upward trajectory, with expectations to reach **USD 5.7 billion in FY25**, showcasing a robust 27% CAGR.



Online Learning Trends in India:

1. Metro learners drive enrollment on EdTech apps, demanding high-quality faculty.
2. Start-ups offer "pay after placement" options, creating new opportunities for higher education.
3. Hybrid business models combining offline and online learning gain traction.
4. Integration of AI, AR, and gamification enhances the learning experience.

Government Schemes in India:

1. **PM eVIDYA:** A multi-mode digital/online education access program.
2. **National Education Policy:** Emphasizes digital infrastructure improvement and regular training for teachers to encourage online and hybrid learning.
3. **Budget Allocations:** An 16% increase in budget allocation for the education sector from FY23 to FY24 to a whopping Rs 68800 crore., supporting digital initiatives.

EdTech in Rural India:

While the urban landscape has embraced EdTech, rural India is witnessing a transformative impact. Many EdTech companies are actively addressing the educational needs of rural areas, empowering the unemployed to become employment-ready.

EdTech companies in India are playing a crucial role in educating individuals in rural areas. The focus is on making the unemployed workforce employment-ready through online education and educating children residing in rural areas.

Challenges and Opportunities:

1. Challenges in rural areas include limited access to technology, internet connectivity issues, and a lack of awareness.
2. Despite challenges, EdTech in rural India presents a significant opportunity to empower individuals and enhance employability.

IPO Addictive Learning Technology Overview:

Introduction:

Addictive Learning Technology Limited is set to launch its Initial Public Offering (IPO), offering a unique blend of professional upskilling and career services through its EdTech platform. The IPO is scheduled to open on January 19, 2024, and close on January 23, 2024.

Business Focus:

The company operates as an EdTech platform primarily targeting senior and mid-career professionals, as well as young professionals and college students. With a focus on upskilling and career services, the platform encompasses three distinct brands: LawSikho, Skill Arbitrage, and Dataisgood.

Courses offered cover a broad spectrum, including Law, Finance, Compliance, Human Resources, Business Consulting, Artificial Intelligence, and Data Science.

Key Aspects of the Business:

Upskilling Courses:

1. **International Focus:** Courses designed to enable career opportunities in the international market.

2. **Bar Exam Courses:** Preparation for international bar exams like the Canadian Barrister & Solicitor Exam, UK Solicitor Qualification Exam, and California Bar Exam.

Course Structure:

1. **Interactive Learning:** Cohort-based live classes, weekly assignments, and simulation exercises.
2. **Real-Life Coaching:** Situational coaching over live calls and personalized feedback.
3. **Career Support:** Integrated career guidance and support throughout the program.

Course Design and Delivery:

1. **Expertise-Driven:** Courses developed by an in-house team of professionals.
2. **Specialized Domains:** Focused on high-demand areas like corporate law, intellectual property, tech law, and taxation.
3. **Professional Development:** Modules for soft skills, interview preparation, personal branding, and freelancing.

Flexibility and Accessibility:

1. **Online Learning:** Flexible study schedules with online delivery and access to class recordings.
2. **Personalized Guidance:** Availability of coaches and counselors for career and academic advice.

Vision and Mission:

1. **Vision:** To make top career opportunities globally accessible, promoting the dominance of international service exports.
2. **Mission:** Empowering India to become a leading exporter of services in various domains through online education, technology tools, and services.

Objects of the IPO:

1. **Unidentified Acquisition:** Meeting expenses for unidentified acquisitions, either in India or abroad.
2. **Identified Acquisition:** Allocating funds for the expenses related to identified acquisitions.

3. Investment in Technology: Utilizing funds for investments in technology to enhance the platform's capabilities.

4. Development of New Courses: Allocating resources for the development of new courses to expand the company's course offerings.

5. Branding & Marketing Expenses: Meeting expenses related to branding and marketing activities to promote the company and its courses.

6. Working Capital Requirements: Utilizing funds to meet the working capital requirements of the company, ensuring smooth operations.

7. General Corporate Purposes: Meeting general corporate needs and requirements of the company.

8. Issue Expenses: Allocating funds to cover the expenses associated with the IPO process.

IPO Details:

Open Date:	Jan 19 2024
Close Date:	Jan 23 2024
Total Shares:	4,297,000
Face Value:	₹ 10 Per Equity Share
Issue Size:	60.16 Cr.
Lot Size:	1000 Shares
Issue Price:	₹ 130-140 Per Equity Share
Listing At:	NSE Emerge
Listing Date:	Jan 26 2024

Courses Offered by Addictive Learning Technology Limited:

1. Domestic Upskilling (LawSikho):

- Total Courses: 14
- These courses, offered under the brand "LawSikho," aim to provide comprehensive legal upskilling and practical skills.

- Covering various aspects of law, these courses are designed to cater to different career aspirations and legal specializations.

2. International Upskilling (LawSikho):

- Total Courses: 8
- Specialized courses meticulously tailored for individuals aspiring to build careers in the international legal arena.
- Designed under the brand "LawSikho" to meet the specific needs of those looking to work in the international legal field.

3. International Bar Exams (LawSikho):

- Total Courses: 3
- These specialized courses under the brand "LawSikho" prepare individuals for international Bar exams in Canada, the UK, and California.
- Curated to guide Indian lawyers and law students aspiring to practice law in these respective regions.

4. Test Preparation Courses:

- Total Courses: 10
- Comprehensive assistance for individuals preparing for various tests, including standardized assessments and specialized evaluations.
- The "Test Prep" division is dedicated to equipping learners with knowledge and skills essential for excelling in critical examinations.

5. Professional Upskilling - Skill Arbitrage:

- Total Courses: 11
- Offered under the brand "Skill Arbitrage," these courses cover professional upskilling in fields such as Finance, Human Resources, and Artificial Intelligence.
- Designed to help individuals from diverse backgrounds excel in their careers and seize international opportunities.

Enrollment Data:

Category	Course Type	Aug 31, 2023	Mar 31, 2023	Mar 31, 2022	Mar 31, 2021
Domestic Upskilling (Legal)	Total Enrollments	1,399	2,657	2,550	1,571
International Upskilling (Legal)	Total Enrollments	1,257	1,644	1,206	149
International Bar Exams (Legal)	Total Enrollments	282	848	1	0
Test Prep Courses (Legal)	Total Enrollments	551	1,248	1,059	417
Professional Upskilling (Skill Arb)	Total Enrollments	1,680	1,395	138	0

Target Audience:

- 1. Experienced Legal Professionals:** Established lawyers aiming to expand their legal expertise or enhance proficiency across multiple domains.
- 2. Young Law Graduates and Advanced Students:** Recent law graduates seeking to accelerate professional growth and career advancement. The objective is to provide practical insights beyond traditional legal education for success in internships and job interviews.
- 3. Corporate Partnerships:** Collaboration opportunities with in-house legal teams, HR departments, and various corporate divisions. To enhance the skills and knowledge of corporate professionals through specialized legal training.
- 4. Educational Institutions:** Select universities and law schools aiming to access the Virtual Campus Library. Enhancing practical training and internships for law students by providing valuable resources and specialized courses.

Risks in Addictive Learning Technology Limited:

- 1. Dependence on First-Generation Entrepreneurs:** The company relies on first-generation entrepreneurs as its promoters, posing a risk in terms of experience and continuity.
- 2. Strategic Partnerships for Accreditation:** Dependency on collaborations with universities and institutions for accreditation and certification.
- 3. Revenue Concentration in Legal Courses (LawSikho):** Major revenue sourced from the Legal Courses Vertical, specifically the "LawSikho" brand. Vulnerability to market fluctuations in legal education demand, diversification challenges.

4. Client Acquisition and Management: Inability to effectively manage and attract more clients may adversely affect business.

5. Financial Performance of Subsidiaries: Subsidiaries and group entities have incurred losses, and future losses may impact overall financial health.

6. Lack of Comprehensive Business Software: Absence of a unified software system for managing human resources, accounting, procurement, project management, risk management, compliance, and supply chain operations.

7. Third-Party Reliance for Learning Management System (LMS): Relying on a third-party software provider for the Learning Management System.

8. Regulatory and Compliance Risks: Exposure to regulatory changes impacting the online education sector.

Monetization Strategy:

1. Course Fees: The core revenue stream involves charging fees for enrollment in upskilling courses across different areas.

2. International Focus Courses: Additional revenue is generated through courses designed for international career opportunities.

3. Bar Exam Preparation Courses: The company offers courses specifically tailored for international bar exams, enhancing its monetization avenues.

4. Career Support Services: Integrated career guidance and support are offered throughout the program to enhance students' professional journey. Additional fees may be charged for premium career support services, including personalized coaching and guidance, providing an extra revenue stream.

5. Professional Development Modules: Modules for soft skills, interview preparation and freelancing are incorporated to enhance students' overall professional development.

Financials of Addictive Learning Technology Limited IPO:

Particulars (In Lakhs)	2021	2022	2023	5M-FY24
Revenue from Operations	678	1,857	3,353	2,482
Other Income	0	2	1	0
Total Revenue	678	1,859	3,354	2,482
Cost of Services	506	1,411	2,289	1,540
Employees Benefit Expenses	57	99	137	67
Other Expenses	113	393	594	386
EBITDA	2	-44	334	489
Depreciation & Amortisation	2	6	10	51
EBIT	0	-50	325	438
OPM (%)	0.32%	-2.38%	9.97%	19.71%
PBT	0.04	-50	325	438
Tax	0.6	-0.6	78	122
PAT	-0.5	-49	247	316
NPM (%)	-0.08%	-2.64%	7.37%	12.73%
No.of Shares	159.09	159.09	159.09	159.09
EPS	-0.003	-0.31	1.55	1.98

Comparison With Peers:

Name of the Company	Revenue (In Crore)	PAT (In Crore)	EPS (In Rs)	P/E	CMP	Mcap (In Crore)
Addictive Learning Technology Limited	34	2	1.55	90.1	140	223
CL Educate Limited	291	23	4.09	19.2	101	555
Career Point Limited	85	12	6.57	19.3	235	428

Valuation:

After annualizing 2023-24, representing 5M FY24 data:

Particulars (In Cr)

Revenue: INR 57

PAT: INR 7.5

EPS: 4.83

P/E: 29

Review: The valuation seems relatively rich as compared to peers, and investors should be careful.